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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

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PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events*

17 - 30 July 1959

The government of India announced on 29 July that it had accepted a credit of \$378 million from the USSR for industrial projects in India's Third Five Year Plan (1961-66).

Afghanistan and the USSR announced an agreement under which Soviet technicians are to assist in the construction of three highway bridges in the eastern province of Ningrahar, near the Pakistani frontier, and it is reported that 50 Soviet technicians have begun survey operations on the Kushka-Kandahar road.

In a communiqué issued on 17 July at the conclusion of Emperor Haile Selassie's visit to Czechoslovakia, it was announced that Czechoslovakia had offered to extend credits to Ethiopia for the purchase of capital goods. An unconfirmed report states that the Czechoslovak offer of credit amounts to \$20 million.

The Sino-Soviet Bloc reportedly is showing interest in developing trade with Cyprus. This year, because of the difficulty of disposing of certain surplus agricultural products and because of the increased interest on the part of the USSR and the Satellites, Cypriot export trade to the Bloc may increase to as much as \$8.5 million, or about 20 percent of the island's average annual exports.

The decision of the USSR on 25 June to reduce its imports of Icelandic salt herring to less than one-third of the 1958 level has created a serious marketing problem for Iceland.

Recent statements by Argentine and Uruguayan officials suggest that economic relations between their countries and the Sino-Soviet Bloc, and the USSR in particular, may be cooling off.

* An unclassified table summarizing the economic activities of the Bloc in underdeveloped countries of the Free World as of 30 June 1959 is included in this issue on p. 6.

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